

ATTACHMENT A

FACILITY DESCRIPTION

FACILITY DESCRIPTION

Conn-Selmer, Incorporated (CSI) (formerly United Musical Instruments and C.G. Conn/Artley Flute), the Permittee, is a musical instrument manufacturer that operated at the facility at 1310 West Fairway Drive, Nogales, Arizona, (Exhibit A-1) from the late 1960s until 200X. The Permittee is currently remediating groundwater contaminated with volatile organic compounds (VOCs) from the former manufacturing operations using pump and treat technology (Exhibit A-2). The pump and treatment system, consisting of two air strippers located at the northwest corner of the former production facility, is used for removal of organic contamination from the groundwater and is referred to as the Groundwater Remediation System (GRS). The remediated water is discharged from the GRS to a lined impoundment at the nearby Palo Duro Creek Golf Course under Arizona Aquifer Protection Permit P-100311. The current GRS, or an alternative remedial system, as determined by the Director, shall remain in operation by the Permittee until final compliance with applicable standards for the protection of human health and the environment is reached and maintained.

1.0 SOLID WASTE MANAGEMENT UNITS

Two Preliminary Assessments of the facility were conducted by the Environmental Protection Agency (EPA), one in 1987 and the other on March 15, 1996. Nine Solid Waste Management Units (SWMUs) were identified. Four of the SWMUs were considered to have managed hazardous waste. These included one pH adjustment tank (former wastewater treatment tank), a surface impoundment, and two land treatment areas. These SWMUs were closed under RCRA and AHWMA February 1, 1988 (Exhibits A-3 and A-4).

1.1 pH Adjustment Tank (wastewater treatment facility): An underground concrete pH adjustment tank with clay and PVC piping was used in a wastewater treatment process. The dimensions of the tank were approximately 10 feet by 4 feet and approximately 5 feet deep, with a capacity of 1,200 gallons. The tank was used to elevate the pH of the plating waste with lime to generate a metal hydroxide sludge. The liquid was then chlorinated to convert the cyanide to nitrogen and carbonate, which was subsequently vaporized or transferred to the surface impoundment at the northwest corner of the property. The sludge from the bottom of the tank was removed by an ore processing facility for metal recovery. At closure, the pH adjustment tank and contaminated soil beneath the tank area were disposed of as hazardous waste.

1.2 Surface Impoundment: In 1966, C.G. Conn/Artley Flute constructed a surface impoundment at the plant site as there were no city sewage processing facilities available to service the plant location. The unlined surface impoundment was approximately 48 feet by 230 feet, with a capacity of 400,000 gallons. Discharges to the surface impoundment were 3,000 gallons per day of sanitary waste from musical instrument

manufacturing and administrative operations. The Permittee verified descriptions and estimated amounts of chemicals that were used at the facility with the potential for discharge to the surface impoundment between 1966 and 1985 (Exhibit A-5). Groundwater investigations showed that VOCs and cleaning solutions discharged to the surface impoundment migrated to the groundwater beneath and downgradient of the site. Excess wastewater from the surface impoundment, prior to 1985, was also discharged to two land treatment areas (SWMU 4). On November 7, 1985, wastewater discharges to the surface impoundment were stopped. In December 1985, the soil from the surface impoundment was excavated, analyzed, and disposed of as hazardous waste when appropriate. The surface impoundment was backfilled with clean soil.

1.3 Land Treatment Areas: From 1980 to 1983, the two land treatment areas northeast of the site were used to dispose of excess sanitary and industrial wastewater from the surface impoundment. A total of approximately 57,600 gallons of wastewater was discharged to these two areas over a period of three years. Potentially VOC-contaminated soil from the two land treatment areas was roto-tilled in place to volatilize the shallow organic contamination that had occurred. Roto-tilling was conducted to a depth of approximately one foot. The area was subsequently graded.

2.0 SURROUNDING AREA AND STRUCTURES

2.1 Area Drainage

The former CSI manufacturing facility surface elevations range from approximately 3,650 feet to 3,710 feet above mean sea level (msl). The site is not situated in a regulated floodway or in a 100-year floodplain. Surface runoff from the former musical instrument production facility proceeds to the northeast for a distance of approximately 1,500 feet. Flow is then channeled by Potrero Creek. The creek is an intermittent stream carrying flow northward for a distance of approximately one mile before intersecting with the Nogales Wash. The combined flows of Potrero Creek and Nogales Wash enter the Santa Cruz River approximately 4.5 miles north of the Permittee's site.

The GRS is located on a mesa that is approximately 50 feet above the surrounding area. Drainage from the mesa flows radially downhill. A rock-filled drainage ditch to the north of the GRS is intended to provide erosion control to a relatively steep sloping region between the GRS and the vicinity of the former surface impoundment. Runoff from the north side of the GRS unit enters the drainage ditch and is diverted around the former surface impoundment to the east and west (Exhibit A-6).

2.2 Office and Control Room

The current property owner, AD&R Fairway Real Estate, has tentatively provided the Permittee access to an office and control room to utilize for operation of the GRS, storage of emergency and spill response equipment, and phone contact for emergency

situations (Exhibit A-7). Both the office and control room are locked to prevent unauthorized entry. Warning signs are posted on the door and outlying fence.

2.3 Traffic Patterns

There are three roads bordering the GRS, the frontage road to the east, the CSI site driveway to the south, and a dirt road that is maintained by the U.S. Forest Service to the north. Access to the GRS control room is available from the driveway or the dirt road via the frontage road. The closest available traffic route to the CSI site is from Interstate 19 (I-19) Exit Ramp 8. The area has a 12,000 Annual Average Daily Traffic count. The distance from the site to the entrance to I-19 is approximately on half mile. No traffic survey has been performed for the frontage road.

Exhibit A-1

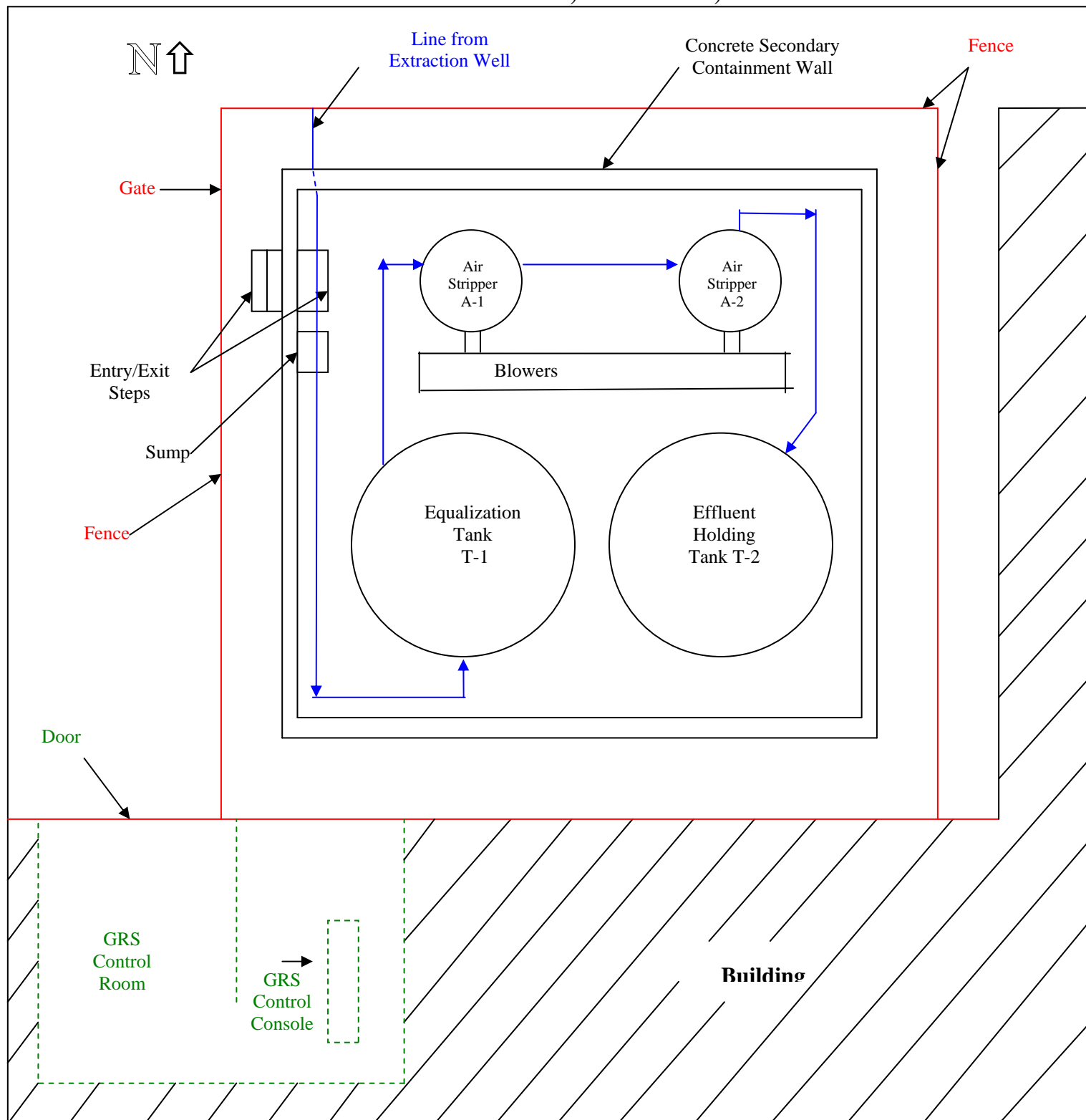
SITE LOCATION MAP



Exhibit A-2

**GROUNDWATER REMEDIATION
SYSTEM (GRS)**

SCHEMATIC OF THE GROUNDWATER REMEDIATION SYSTEM AT 1310 WEST FAIRWAY DRIVE, NOGALES, ARIZONA





Conn-Selmer, Inc., Groundwater Remediation System (GRS); 1310 West Fairway Drive, Nogales, AZ. An extraction well (EW-2) pumps contaminated groundwater at 50 to 75 gallons per minute (gpm) to an equalization tank with a capacity of approximately 7,000 gallons (right foreground). The water contaminated with low levels (ppb) of chlorinated organic solvents and their degradation products is then remediated via serial air strippers (left center). The treated water is pumped to a 7,500-gallon retention tank where it stored and tested quarterly prior to distribution to a lined surface impoundment managed by the City of Nogales. The GRS operates within an 8,150 gallon secondary containment, as required by 40 CFR 264.193. (ADEQ, 11/2008)

EXHIBIT A-3

ESTIMATED QUANTITIES OF CHEMICALS WITH POTENTIAL FOR DISCHARGE TO THE FORMER SURFACE IMPOUNDMENT

Estimated Quantities of Chemicals With Potential for Discharge to the Former Surface Impoundment (1966-1985)

PRODUCT	MANUFACTURER	CHEMICAL FORMULA	QUANTITY PURCHASED*
Brightners (combined)	M&T Chemical Company	Brightner - silver and nickel	36 lb/yr
Cadalume L and LM	M&T Chemical Company	Brightner – cadmium	2 gal (1971)
Silver Cyanide (10.5%)	Technic	CNAg (506-64-9)	13.7 lb/yr
Cynibrin	Dupont	NaCN (143-33-9)	50 lb/yr
Potassium Cyanide	Dupont	KCN (151-50-8)	300 lb/yr
Copper Cyanide	Dupont	CuCN (544-92-3)	50 lb/yr
Nickel Sulphate	M&T Chemical Company	NiSO ₄ •6H ₂ O (10101-97-0)	25 gal/yr
Nickel Chloride	M&T Chemical Company	NiCl ₂ •6H ₂ O (7791-20-0)	7 gal/yr
Enstrip 1655	Enthene, Inc.	Nickel strip	400 gal/yr
B&N Electrocleaner	Wyandite	Cleaner	2000 lb/yr
Sonex 15	MacDaniel of Bristol Inc.	Industrial soap	600 gal/yr
Nitric Acid	Van Waters & Roger	HNO ₃ (7697-37-2)	25 gal/yr
Sulfuric Acid	Van Waters & Roger	H ₂ SO ₄ (7664-93-9)	50 gal/yr
Hydrochloric Acid	Van Waters & Roger	HCl (7647-01-0)	250 gal/yr
Boric Acid - Grannular	Van Waters & Roger	H ₃ BO ₃ (10043-35-3)	100 lb/yr
Chromate Dip	M&T Chemical Company	Chromic Acid	30 lb (1971)
Trichloroethene	Dow Chemical	ClHC ₂ Cl ₂ (79-01-6)	14 gal/yr(1970-2) 100 gal/yr (1973-5)
Chloroethane UG	Van Waters & Roger	Cl ₃ C ₂ H ₃ (71-55-61)	100 gal/yr (1975-85)
Cadmium Oxide	M&T Chemical Company	CdO (1306-19-0)	10 lb (1971)
Hydrogen Peroxide	J.T. Chemical Co.	30% H ₂ O ₂ (7722-84-1)	4 gal/yr
Potassium Carbonate	<i>By-product of silver plating</i>	K ₂ CO ₃ (584-08-7)	150 gal/yr
Calcium Nitrate	Viking Chemical Co.	Ca(NO ₃) ₂ (10124-37-5)	10 lb/yr

NOTE: The Surface Impoundment was not used after 1985.

Exhibit A-4

**STATUS OF SWMUs AT CSI
(MAY, 2008)**

STATUS OF SOLID WASTE MANAGEMENT UNITS (SWMUs) AS OF MAY, 2008

SWMU NUMBER¹	SWMU NAME	RCRA HAZ WASTE MGMNT UNIT	STARTUP DATE	CAPACITY (gal²)	STATUS
1	pH Adjustment Tank and Piping (former wastewater treatment tank and piping)	Yes	1967	1,200	CLOSED 2/1/88 ³
2	Surface Impoundment (unlined)	Yes	1966	600,000	CLOSED 2/1/88 ³
3	Groundwater Remediation System	Yes	1994	6,500	ACTIVE
4	Land Treatment Areas	Yes	1980	N/A	CLOSED 2/1/88 ³
5	Wastewater Treatment Plant	No	1986	N/A	CLOSED 6/16/04 ⁴
6	Copper and Nickel Filter Press	No	1986	N/A	CLOSED 6/16/04 ⁴
7	Hazardous Waste Storage Area	No	1982	N/A	CLOSED 6/16/04 ⁴
8	Satellite Accumulation Area	No	1982	N/A	CLOSED 6/16/04 ⁴
9	Septic Tank System	No	1986	N/A	OPEN 11/13/08 ⁵

¹ As labeled on map (Figure [TBD])

² Capacity/volume is estimated (EPA 1987 RCRA facility assessment)

³ ADEQ accepted/certified closure

⁴ Correspondence; email, J. Bryan, PE, Mactec (for CSI) to V. Garcia, ADEQ, June 16, 2004)

N/A; Not Available

Exhibit A-5

**LAYOUT OF SOLID WASTE MANAGEMNT UNITS
(SWMUs)**

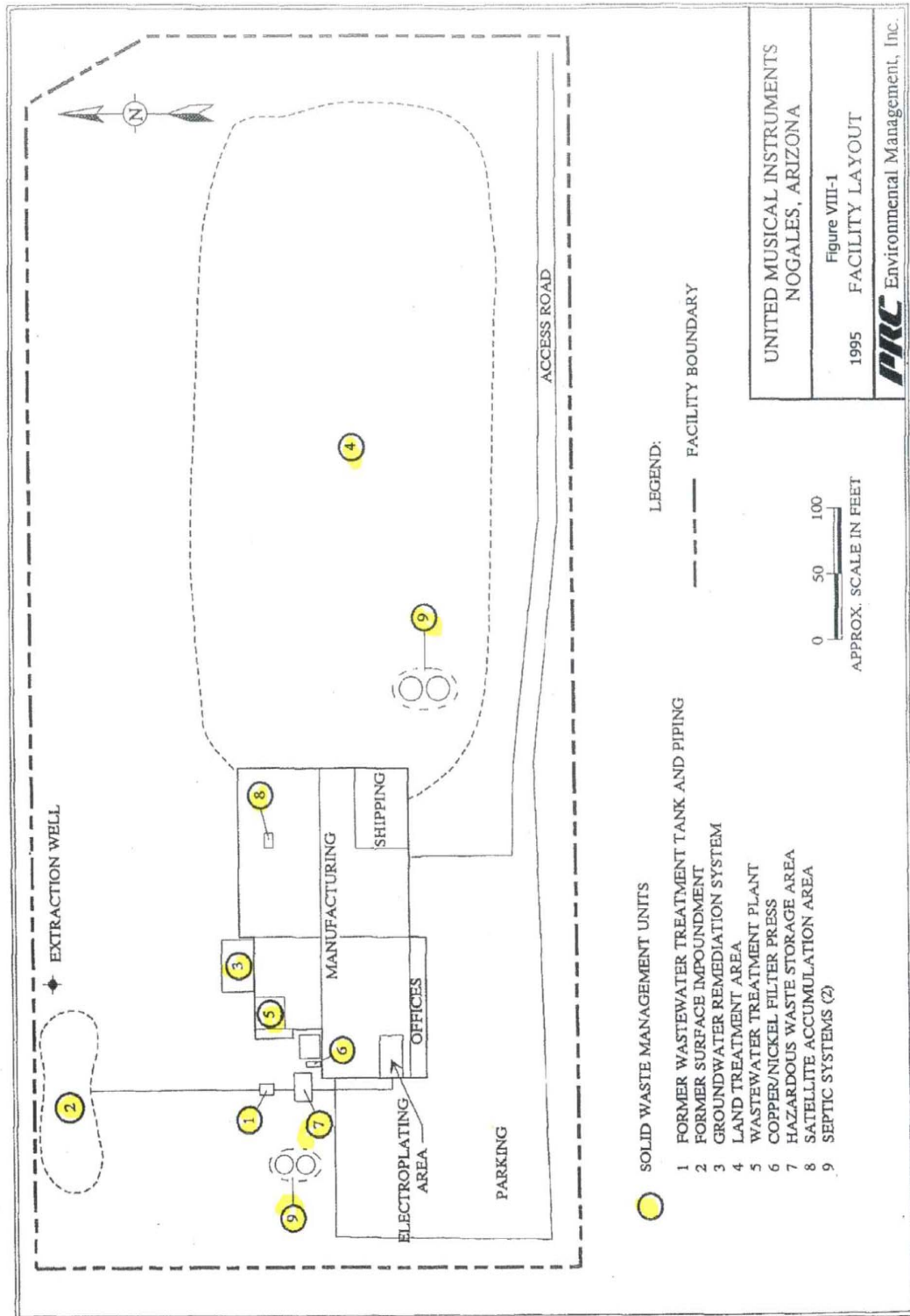
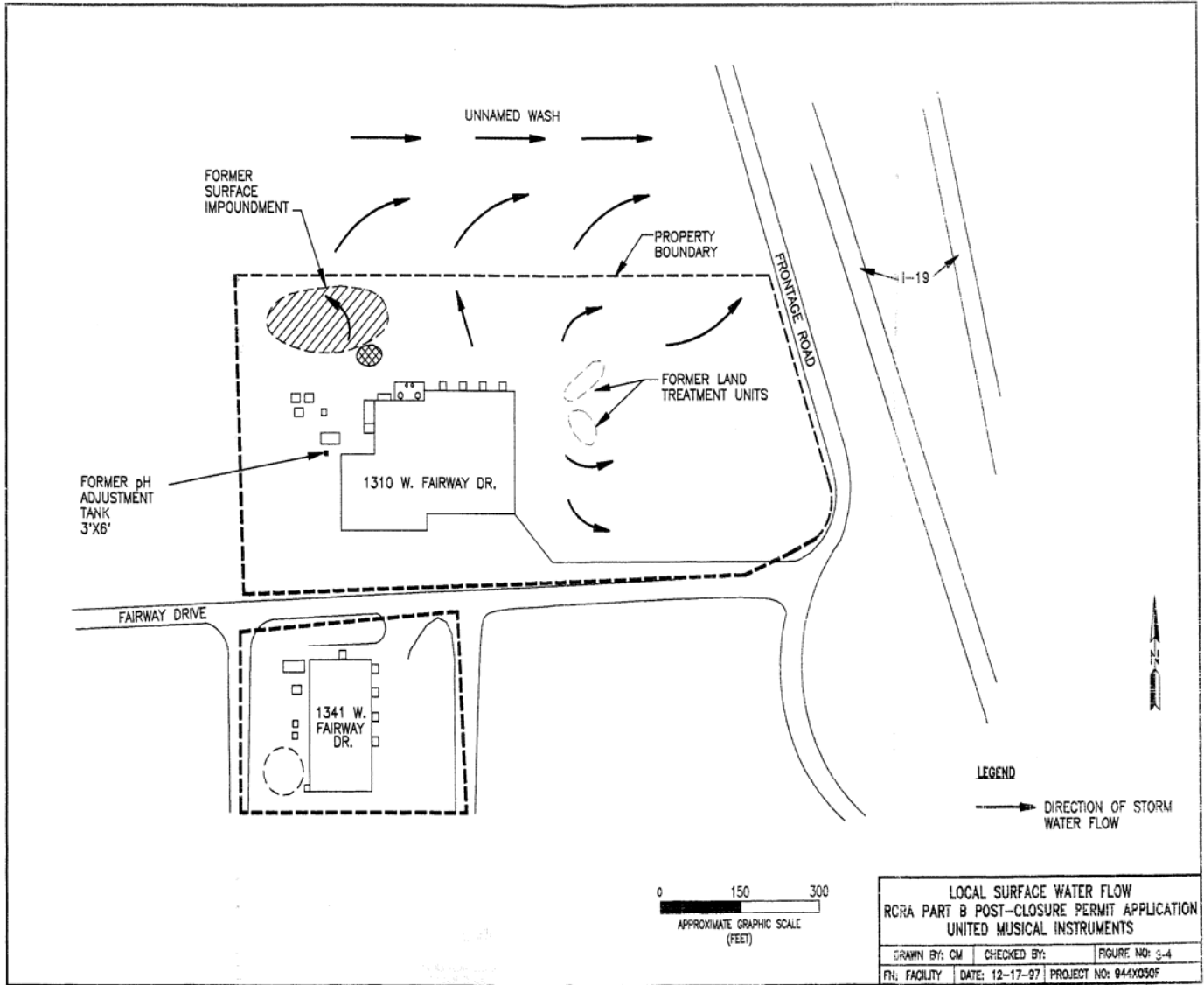


EXHIBIT A-6

**LOCAL SURFACE
WATER FLOW**

Local Surface Water Flow



WOODWARD-CLYDE

Exhibit A-7

**LANDOWNER EASEMENT
CONTRACT TO CONN-SELMER**

COMMERCIAL REAL ESTATE PURCHASE CONTRACT ("CONTRACT")



THE PRINTED PORTION OF THIS CONTRACT HAS BEEN APPROVED BY THE ARIZONA ASSOCIATION OF REALTORS. THIS IS INTENDED TO BE A BINDING CONTRACT. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OR THE TAX CONSEQUENCES THEREOF. IF YOU DESIRE LEGAL, TAX OR OTHER PROFESSIONAL ADVICE, CONSULT YOUR ATTORNEY, TAX ADVISOR OR PROFESSIONAL CONSULTANT.

RECEIPT

1. Offer Received From: ("Buyer") Fresh Co Investments LLC
2. Agency Confirmation: Broker named on Line 18 is the agent of (check one):
3. ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller
4. Amount of Earnest Money: Twenty five thousand and no/100 \$25,000.00
5. All earnest money shall be deposited into a federally insured account acceptable to Buyer and Seller and any
6. interest earned thereon shall also be included as earnest money ("Earnest Money"). Buyer agrees that, if Buyer breaches this
7. Contract, Earnest Money is subject to forfeiture. If any check for Earnest Money is dishonored for any reason, Seller may, at
8. Seller's option, immediately cancel this Contract pursuant to lines 309-313. Unless otherwise provided herein, all Earnest Money
9. is considered to be part of the Purchase Price for the Property described below.
10. Earnest Money shall be: (check one)
11. ☐ Delivered by Buyer to Escrow Company upon mutual execution of this Contract.
12. ☒ Held by Broker until mutual execution. Upon mutual execution, Broker shall promptly deposit the Earnest Money
13. with the Escrow Company to which the check is payable. If the check is payable to Broker, Broker shall deposit the check in
14. Broker's trust account or endorse the check without recourse and deposit it with a duly licensed Escrow Company.
15. Form of Earnest Money: ☐ Personal Check ☒ Other: Company ck
16. Deposited with: ☐ Broker's Trust Account ☒ Escrow Company
17. Offer Received By: Louis A. Doyle 09/02/2004
(PRINT SALESPERSON'S NAME AND AGENT CODE) (SALESPERSON'S SIGNATURE) (MO/DAY/YR)
18. Burns Realty, Inc. (collectively "Broker")
(PRINT NAME OF FIRM) (OFFICE CODE)

PROPERTY AND PURCHASE PRICE

19. Property Description and Offer: Buyer agrees to purchase and Seller agrees to sell the following real property:
20. Property Address: 1310 W. Fairway Drive
21. City: Nogales County: Santa Cruz AZ, Zip Code: 85621
22. Assessors Parcel # 113-45-014A
23. Legal description: Pt NE4 NE4 as desc in dkt 109/189 sec 36 23 13
24. _____
25. _____
26. which includes, at no additional cost to Buyer, all fixtures and improvements thereon, as well as the following items, if any, owned by
27. Seller and presently located on or in the real property: electrical distribution systems (power panels, ducting, conduits, disconnects),
28. lighting fixtures, computer wiring, telephone distribution systems (lines, jacks and connections), heating, ventilation and air conditioning
29. equipment, evaporative coolers, air lines, carpets, window coverings, wall coverings, security and fire detection systems/alarms, and
30. _____
31. _____
32. (collectively the "Property"). All fixtures and improvements shall be free of liens and encumbrances unless otherwise specified.
33. Leased Equipment NOT Included: None
34. Personal Property Included: phone system, existing office furniture
35. Personal property shall be transferred in AS-IS CONDITION, FREE AND CLEAR OF ANY LIENS AND ENCUMBRANCES, and SELLER
36. MAKES NO WARRANTY of any kind, expressed or implied (including, without limitation, ANY WARRANTY OF MERCHANTABILITY).
37. Addenda Incorporated: ☐ Schedule of personal property ☐ Lead-Based Paint Disclosure ☐ Other _____
38. \$ 1,100,000.00 Full Purchase Price, paid as outlined below. Buyer acknowledges that failure to have funds deposited as
39. required to close escrow on the date specified herein shall constitute a material breach of Contract.
40. \$ 25,000.00 Earnest Money _____
41. \$ _____ Additional Earnest Money _____
42. \$ 950,000.00 Additional cash at close of escrow _____
43. 1,075,000.00 DF
44. _____

Initials: SELLER SELLER GAAR Form CPC 5/03 K Initials: BUYER BUYER

PAGE 1 of 9

45. Escrow: This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the terms of

46. this Contract shall be: Land American Lawyers Title of AZ Anita Moreno
(ESCROW COMPANY) (CONTACT PERSON)

47. 1780 N. Mastick Way, Suite F, Nogales, AZ 85621 (520) 281-2387
(ADDRESS) (TELEPHONE)

48. (520) 281-0203 amoreno@landam.com
(FAX) (E-MAIL)

49. Opening of Escrow: The term "Opening of Escrow" shall mean the date when a fully executed Contract and the Earnest Money have
50. been delivered to Escrow Company. Escrow Company shall immediately notify Buyer, Seller and Broker(s) in writing of the date of the
51. Opening of Escrow.

52. Close of Escrow: Seller and Buyer shall comply with all terms and conditions of this Contract and Close Escrow
53.

54. but in no event later than 12/02/2004 Any other closing date requires the written mutual agreement of Seller and Buyer.
MONDAY

55. Seller and Buyer hereby agree that the Close of Escrow shall be defined as recordation of the deed and any other documents required
56. to complete the transaction. The parties expressly agree that the failure of any party to comply with the terms and conditions of this
57. Contract by the scheduled Close of Escrow shall constitute a material breach of this Contract.

58. Possession and Keys: Possession and occupancy of the Property shall be delivered to Buyer at Close of Escrow,
59. or ☐ _____, subject to the rights of tenants under existing leases. Seller shall provide keys and/or means to operate

60. all locks, mailboxes, security system/alarms, access to all common area facilities and _____

61.

DUE DILIGENCE AND INSPECTIONS

62. Due Diligence: Buyer's due diligence and inspection period shall be thirty (30) days or ☒ 60 days after Opening of Escrow
63. ("Due Diligence Period"). During the Due Diligence Period, Buyer shall satisfy itself with respect to the physical condition of the
64. Property, the condition of title to the Property and as to the feasibility and suitability of the Property for Buyer's intended
65. purpose. REFER TO LINES 66-85 FOR IMPORTANT TERMS.

66. Buyer Disapproval: If prior to the expiration of the Due Diligence Period or as otherwise provided herein, Buyer, in Buyer's sole
67. discretion, disapproves of the Property, Buyer shall:

68. (a) immediately cancel this Contract pursuant to Lines 309-313 without further written consent of the parties, in which event all
69. Earnest Money shall be returned to Buyer; or

70. (b) deliver to the Seller written notice of the items disapproved and provide Seller an opportunity to correct the items.

71. If Buyer elects option (b), Seller shall respond in writing within five (5) days or ☐ _____ days after delivery to Seller of Buyer's
72. notice of items disapproved. If Seller is unwilling or unable to agree to correct any of the terms disapproved by Buyer, including mak-
73. ing any repairs in a workmanlike manner, Buyer may either:

74. (a) cancel this Contract within five (5) days after receipt of Seller's response or after expiration of the time period for Seller's
75. response, whichever occurs first, in which case all Earnest Money shall be returned to Buyer; or

76. (b) proceed with the transaction, in which case Seller is not obligated to correct those items Seller has not agreed to correct
77. in writing.

78. If Buyer cancels this Contract, Buyer shall return all documents provided by the Seller and provide Seller with copies of all reports or
79. studies generated by Buyer, provided, however, that Buyer shall not be required to deliver any such report or study if the written
80. contract that Buyer entered into with the consultant who prepared such report or study specifically forbids the dissemination of the
81. report or study to others.

82. BUYER'S FAILURE TO GIVE WRITTEN NOTICE OF CANCELLATION OF THIS CONTRACT OR DISAPPROVAL OF ITEMS
83. WITHIN THE SPECIFIED TIME PERIODS SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH
84. THE TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS THAT SELLER HAS NOT AGREED IN
85. WRITING TO CORRECT.

86. Inspections: During the Due Diligence Period, Buyer shall have the right, at Buyer's expense, to select an inspector(s), and to
87. make economic, environmental and physical "inspections" (including tests, surveys, and other studies) of the Property, including
88. but not limited to square footage, wood infestation, roof, designated flood hazard areas, structural, plumbing (such as galvanized
89. or polybutylene pipes), sewer/septic, well, heating, air conditioning, electrical and mechanical systems, built-in appliances, soil,
90. foundation, pool/spa and related equipment, cost of compliance with swimming pool regulations, possible environmental hazards
91. (such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, methamphetamine, LSD, ecstasy,
92. hazardous waste, other substances, materials or products, and/or location in a federal or state Superfund area), water damage,
93. mold, conditions conducive to mold, geologic conditions, location of property lines, water/utility use restrictions and fees for
94. services such as garbage, water/utility or fire protection, sign usage, zoning regulations, variances, use permits, and compliance
95. with Americans with Disabilities Act. If the presence of sex offenders in the vicinity of the Property or the occurrence of a disease,
96. natural death, suicide, homicide or other crime on or in the vicinity of the Property is a material matter to the Buyer, it must be
97. investigated by the Buyer during the Due Diligence Period.

98. Square Footage: BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE (OR NET ACREAGE) OF THE
99. REAL PROPERTY (LAND) OR IMPROVEMENTS THEREON IS APPROXIMATE. IF SQUARE FOOTAGE (OR NET ACREAGE)
100. IS A MATERIAL MATTER TO THE BUYER, IT MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD.

Initials: JS
SELLER SELLER

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Initials: LM
BUYER BUYER

PAGE 3

101. Wood Infestation Inspection: IF CURRENT OR PAST WOOD INFESTATION (SUCH AS TERMITES) IS A MATERIAL MAT-
 102. TER TO THE BUYER, IT MUST BE INVESTIGATED DURING THE DUE DILIGENCE PERIOD. If the lender requires an updated
 103. Wood Infestation Report, it shall be performed at Buyer's expense. If wood infestation is disclosed in any Wood Infestation Report,
 104. REFER TO LINES 66-85 FOR IMPORTANT TERMS.
105. Flood Hazard: If the Property is situated in an area identified as having any special flood hazards by any governmental entity
 106. including, but not limited to, being designated as a special flood hazard area by the Federal Emergency Management Agency
 107. (FEMA), the Buyer's lender may require the purchase of flood hazard insurance at the Close of Escrow or some future date.
 108. Special flood hazards may affect the ability to encumber or improve the Property now or at some future date. Flood hazard desig-
 109. nation of the Property or cost of flood hazard insurance shall be determined by Buyer during the Due Diligence Period.
110. Survey: A survey ☒ shall be performed ☐ is waived by the Buyer.
111. If a survey is to be performed, Buyer shall have the survey completed by a licensed surveyor in accordance with the Arizona State
 112. Board of Technical Registration's "Arizona Land Boundary Survey Minimum Standards" and review the receipt of results of survey
 113. or map during the Due Diligence Period.
114. Cost of the survey shall be paid by: ☒ Seller ☐ Buyer ☐ Other: _____
115. Surveyor's instructions are: ☐ A boundary survey and survey plat showing the corners either verified or monumentation.
 116. ☒ A survey certified by a licensed surveyor, acceptable to Buyer and the Title Company, in sufficient
 117. detail for issuance of an American Land Title Association ("ALTA") Owner's Policy of Title
 118. Insurance showing all boundary, encroachment or survey exceptions and all improvements, utility lines
 119. and easements on the Property or within five (5) feet thereof. *ALTA Survey*
 120. ☐ Other survey terms: _____
 121. _____
122. Buyer's Responsibility Regarding Inspections: Buyer shall keep the Property free and clear of liens, shall indemnify and hold
 123. Seller harmless from all liability, claims, demands, damages, and costs and shall repair all damages arising from the inspections.
124. Final Walkthrough: The Seller grants Buyer and any representative of Buyer reasonable access to conduct a final walkthrough of the
 125. Property for the purpose of satisfying Buyer that any repairs agreed to by the Seller have been completed and, further, that the Property
 126. is in substantially the same condition as on the date of the mutual execution of the Contract. Seller shall make the Property available for
 127. the final walkthrough. If Buyer does not conduct such walkthrough, Buyer specifically releases Seller and Broker(s) of any liability.
128. Seller's Responsibility Regarding Inspections and Final Walkthrough: Seller shall make the Property available for all inspec-
 129. tions during the Due Diligence Period and final walkthrough. Seller understands that the inspections and final walkthrough require
 130. that all utilities be on and the Seller is responsible for providing same at Seller's expense.
131. Sanitation and Waste Disposal Systems: Buyer is aware and Seller warrants that the Property is on a:
 132. ☒ sewer system ☐ septic system ☐ alternative system
133. Seller's Obligations Regarding On-Site Wastewater Treatment Facility (conventional septic or alternative system)
 134. ("Facility"): If such a Facility has been installed on the Property, Seller shall deliver to Buyer copies of Facility permits and any
 135. other Facility documents of record within five (5) days after Opening of Escrow. During Due Diligence Period, any Facility on the
 136. Property shall be inspected as required by law at: ☐ Buyer's expense ☐ Seller's expense by an inspector recognized by the
 137. applicable governmental authority. Seller shall deliver to Escrow Company, at Seller's expense, any certification and/or
 138. documentation required. Escrow Company is instructed to file any transfer form(s) with applicable county authority. Buyer shall
 139. pay any Facility transfer fees.
140. Seller's Obligations Regarding Wells: If any well is located on the Property, Seller shall deliver to Escrow Company, before Close of
 141. Escrow, a copy of the Arizona Department of Water Resources ("ADWR") "Registration of Existing Wells." Escrow Company is hereby
 142. instructed to send to the ADWR a "Change of Well Information." Seller does not warrant the gallons per minute as reflected on the ADWR
 143. certification of registration. Buyer may verify gallons per minute during Due Diligence Period through a certified flow test.
144. Changes During Escrow: Seller shall immediately notify Buyer in writing: (i) of any changes in the disclosures made herein, in the Seller Property
 145. Disclosure Statement, or otherwise; (ii) if Seller modifies any existing lease or other agreement affecting the Property; or (iii) if Seller enters into
 146. any new leases, rental agreements, service contracts or other agreements affecting the Property. Buyer shall be allowed five (5) days after receipt
 147. of such notice to provide written notice to Seller of any items disapproved. REFER TO LINES 66-85 FOR IMPORTANT TERMS.

DISCLOSURES

148. Seller Property Disclosure Statement ("SPDS"):
149. (a) ☐ Buyer has received, read, and approved the SPDS.
150. (b) ☐ Buyer waives review and approval of the SPDS. (BUYER'S INITIALS REQUIRED TO WAIVE SPDS) _____ BUYER _____ BUYER
151. (c) ☒ Seller shall deliver the SPDS to Buyer within five (5) days after Opening of Escrow.

Initials: SELLER SELLER

GAAR Form CPC 5/03 K

Initials: BUYER BUYER

PAGE 4

152. **Additional Seller Disclosures and Information:** Seller shall provide to Buyer the following disclosures and information pertinent to the Property in writing within five (5) days or _____ days after Opening of Escrow: (1) any information known to Seller that may adversely affect the Buyer's use of the Property, (2) any known pending special assessments, association fees, claims, or litigation, (3) copies of covenants, conditions, and restrictions, articles of incorporation, by-laws, other governing documents, and any other documents required by law, (4) financial statements, copies of current rent rolls, lists of current deposits, personal property lists, copies of leases, rental agreements, service contracts, (5) a copy of the most recent survey, if available, and (6) any and all other agreements, documents, studies, or reports relating to the Property in Seller's possession or control provided, however, that Seller shall not be required to deliver any report or study if the written contract that Seller entered into with the consultant who prepared such report or study specifically forbids the dissemination of the report to others. The Buyer shall provide written notice to Seller prior to the expiration of the Due Diligence Period of any items disapproved. REFER TO LINES 66-85 FOR IMPORTANT TERMS.

161. Seller shall deliver all original documents and estoppel certificates executed by all tenants to Buyer at Close of Escrow.

162. **No Seller or Tenant Bankruptcy, Probate or Insolvency Proceedings.** Seller has no notice or knowledge that any tenant on the Property is the subject of a bankruptcy, probate or insolvency proceeding. Further, Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

165. **Seller's Notice of Violations:** Seller represents that Seller has no knowledge of any notice of violations of City, County, State, or Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the Property. If Seller receives notice of violations of any of the aforementioned prior to Close of Escrow, Seller shall immediately notify Buyer in writing. Buyer shall have five (5) days after receipt of such notice to provide written notice to Seller of any items disapproved. REFER TO LINES 66-85 FOR IMPORTANT TERMS.

170. DISCLOSURES FOR PROPERTY USED FOR RESIDENTIAL PURPOSES

171. (If Property is not used for residential purposes, GO TO LINE 194.)

172. **Notice to Buyer of Swimming Pool Barrier Regulations (Initials Required):** The State of Arizona has swimming pool barrier regulations that are outlined in the Arizona Department of Health Services Private Pool Safety Notice. The county or municipality in which the Property is located may have different swimming pool barrier regulations than the state. During the Due Diligence Period, Buyer agrees to investigate all applicable state, county, and municipal swimming pool barrier regulations and, unless disapproved prior to the expiration of the Due Diligence Period, agrees to comply with and pay all costs of compliance with said regulations. BUYER'S INITIALS ACKNOWLEDGE 1) EXISTENCE OF SWIMMING POOL BARRIER REGULATIONS and 2) If this Property contains a swimming pool, RECEIPT OF THE ARIZONA DEPARTMENT OF HEALTH SERVICES APPROVED PRIVATE POOL SAFETY NOTICE AS REQUIRED BY A.R.S. §38-1681 (E).

179. (BUYER'S INITIALS REQUIRED) _____

180. **Lead-Based Paint Disclosure (Initials Required):** If the Property was built prior to 1978, Seller shall: (1) notify the Buyer of any known lead-based paint or lead-based paint hazards in or on the Property; (2) provide the Buyer with any lead-based paint risk assessments or inspections of the Property in the Seller's possession; (3) provide the Buyer with the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, and any reports, records, pamphlets, and/or other materials referenced therein, including the pamphlet "Protect Your Family from Lead in Your Home" (collectively "Lead-Based Paint Information").

185. ☐ Lead-Based Paint Information was provided prior to Contract acceptance and Buyer acknowledges the opportunity to conduct lead-based paint risk assessments or inspections during Due Diligence Period.

187. ☒ Seller shall provide the Lead-Based Paint Information to Buyer within five (5) days after Opening of Escrow. Buyer may within ten (10) days or ☐ _____ days after receipt of the Lead-Based Paint Information conduct or obtain a risk assessment or inspection of the Property for the presence of lead-based paint or lead based-paint hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the Lead-Based Paint Information or five (5) days after expiration of the Assessment Period cancel this Contract in Buyer's sole discretion by delivering written notice of cancellation to Seller Pursuant to Lines 309-313.

192. Prior to 1978: If Property was constructed prior to 1978, BUYER'S INITIALS REQUIRED

BUYER BUYER

BUYER BUYER

193. 1978 or Later: If Property was constructed in 1978 or later, BUYER'S INITIALS REQUIRED

194. IF THIS IS AN ALL CASH SALE, GO TO LINE 209.

FINANCING

195. (If financing is to be other than new financing, see attached addendum.)

196. This sale ☐ is ☒ is not contingent upon Buyer obtaining a satisfactory financing commitment within Financing Commitment Contingency Period. (If sale is not contingent on a financing commitment, go to line 209.)

198. **Financing Commitment Contingency Period:** If the sale is contingent upon Buyer obtaining a satisfactory financing commitment, Buyer shall have thirty (30) days or ☐ _____ days after the Opening of Escrow ("Financing Commitment Contingency Period") to obtain a financing commitment satisfactory to Buyer in Buyer's sole discretion, for a loan to purchase the Property or Buyer may cancel this Contract pursuant to Lines 309-313 and receive a refund of the Earnest Money. PRIOR TO THE EXPIRATION OF THE FINANCING COMMITMENT CONTINGENCY PERIOD, BUYER SHALL DELIVER TO SELLER AND ESCROW COMPANY WRITTEN NOTICE THAT BUYER HAS NOT RECEIVED SUCH SATISFACTORY FINANCING COMMITMENT OR BUYER SHALL BE DEEMED TO HAVE WAIVED THE FINANCING COMMITMENT CONTINGENCY AND ANY RIGHT TO CANCEL DUE TO FINANCING.

205. **Financing Application:** Within ten (10) days after the Opening of Escrow, Buyer shall submit a formal loan application to a lender of Buyer's choice. Buyer and Seller shall promptly provide to such lender all materials and documents lender deems appropriate to facilitate such lender's processing of such loan application. Buyer agrees to pay such fees as required by the lender and all other financing costs. Buyer authorizes the lender to provide financing status updates to Broker(s).

Initials: _____
SELLER SELLER

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Initials: _____
BUYER BUYER

TITLE AND ESCROW

209. **Title and Vesting:** Taking title may have significant legal, estate planning and tax consequences. Buyer should obtain
210. legal and tax advice.

211. Buyer will take title as determined before Close of Escrow or ☐ Other: _____

212. **Title Commitment and Title Insurance:** Buyer shall be provided at Seller's expense a Standard Owner's Title Insurance Policy showing the title vested in Buyer as provided in Line 211. Buyer may acquire extended coverage(s) at Buyer's own additional expense.
214. Escrow Company is hereby instructed to obtain and distribute to Buyer and Broker(s) a Commitment for Title Insurance in sufficient detail for the issuance of an Extended Owner's Title Insurance Policy together with complete and legible copies of all documents that will remain as exceptions to Buyer's policy of title insurance ("Title Commitment"), within fifteen (15) days after Opening of Escrow.
217. Buyer shall have until the expiration of the Due Diligence Period to provide written notice to Seller of any items disapproved. Buyer shall have five (5) days after receipt of any amendments to Title Commitment or notice of any subsequent exceptions to provide Seller written notice of any amendment or exceptions disapproved. REFER TO LINES 66-85 FOR IMPORTANT TERMS.

220. Seller shall convey title by special warranty deed or ☐ _____ deed.

221. **Additional Instructions:** (a) If the Escrow Company is also acting as the title agency but is not the title insurer issuing the title insurance policy, the Buyer and Seller hereby instruct the Escrow Company to deliver to the Buyer and Seller upon Opening of Escrow a closing protection letter from the title insurer indemnifying the Buyer and Seller for any losses due to fraudulent acts or breach of escrow instructions by the Escrow Company. (b) All documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow Company is hereby instructed to modify such documents to the extent necessary to be consistent with this Contract. (c) All closing and escrow costs, unless otherwise stated herein, shall be allocated equally between Seller and Buyer in accordance with local custom and applicable laws and regulations. (d) Escrow Company is hereby instructed to send to Broker(s) copies of all notices and communications directed to or from Seller or Buyer. Escrow Company shall provide Broker(s) with access to escrowed materials and information regarding the escrow.

230. Prorations, Expenses and Adjustments:

231. **Taxes:** Real property taxes payable by the Seller shall be prorated through Close of Escrow, based upon the latest tax bill available. The parties agree that any discrepancy between the latest tax bill available and the actual tax bill when received shall be handled as a Post Closing Matter and Buyer or Seller may be responsible for additional tax payments to each other.

234. **Insurance:** If Buyer takes an assignment of the existing casualty and/or liability insurance that is maintained by Seller, the current premium shall be prorated through Close of Escrow.

236. **Rents, Interest and Expenses:** Rents; interest on existing notes, if transferred; utilities; and operating expenses shall be prorated through Close of Escrow. The Parties agree to adjust any rents received after Close of Escrow as a Post Closing Matter.

238. **Deposits:** All deposits held by Seller pursuant to rent/lease agreement(s) shall be credited against the cash required of Buyer at Close of Escrow or ☐ paid to Buyer by Seller at Close of Escrow.

240. **Post Closing Matters:** The parties shall promptly adjust any item to be prorated that is not determined or determinable at Close of Escrow as a Post Closing Matter by appropriate cash payment to the other party outside of the escrow when the amount due is determined. Seller and Buyer agree that Escrow Company and Broker(s) are relieved of any responsibilities for said adjustments.

243. **Insurance:** Buyer shall insure that any fire, casualty, or other insurance desired by Buyer, or required by any Lender, is in place at Close of Escrow. Buyer specifically releases Broker(s) from any obligations relating to such insurance.

245. **Assessments:** The amount of any assessment that is a lien as of the Close of Escrow, shall be:

246. ☒ paid in full by Seller ☐ prorated and assumed by Buyer ☐ paid in full by Buyer.

247. Any assessment that becomes a lien after Close of Escrow is the Buyer's responsibility.

248. **IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA). Buyer acknowledges that if the Seller is a foreign person, the Buyer (or Escrow Company, as directed by Buyer) must withhold a tax equal to 10% of the purchase price, unless an exemption applies.

252. **RESPA:** The Real Estate Settlement Procedures Act (RESPA) requires that no Seller of property that will be purchased with the assistance of a federally-related mortgage financing shall require, directly or indirectly, as a condition of selling the property, that title insurance covering the property be purchased by the Buyer from any particular title company.

255. **TAX DEFERRED EXCHANGE:** Seller and Buyer are advised to consult a professional tax advisor regarding the advisability of a tax-deferred exchange pursuant to I.R.C. §1031 or otherwise. Seller and Buyer agree to cooperate in a tax deferred exchange provided that Close of Escrow is not delayed. All additional costs in connection with any such tax deferred exchange shall be borne by the party requesting the exchange. The non-requesting party and Broker(s) shall be indemnified and held harmless from any liability that may arise from participation in the tax deferred exchange.

WARRANTIES

260. **Seller Warranties:** Seller warrants and shall maintain and/or repair the Property so that, at the earlier of possession of the Property or Close of Escrow, all heating, cooling, mechanical, plumbing, and electrical systems (including swimming pool and/or spa, motors, filter systems, cleaning systems, and heater, if any), and built-in appliances will be in working condition or as otherwise agreed in this Contract. Seller also warrants that, at the earlier of possession of the Property or Close of Escrow, the Property shall be in substantially the same condition as on the date of the mutual execution of the Contract.

265. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect the Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of the removal of all contingencies, possession of the Property or Close of Escrow, (a) Buyer warrants to Seller that Buyer has conducted all desired independent investigations and accepts the Property and (b) Buyer acknowledges that there will be no Seller warranty of any kind, except as stated in lines 260-264.

Initials: SELLER SELLER

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Initials: BUYER BUYER

269. Warranties that Survive Closing: Prior to the Close of Escrow, Seller warrants that payment in full will have been made for all
 270. rental and/or privilege taxes, labor, professional services, materials, machinery, fixtures, or tools furnished within the 150 days
 271. immediately preceding the Close of Escrow in connection with the construction, alteration, or repair of any structure on or
 272. improvement made to the Property. Seller warrants that the information on Lines 131-139 regarding connection to a public sewer
 273. system, septic tank or other sanitation system is correct to Seller's knowledge. Seller warrants that Seller has disclosed to Buyer
 274. and Broker(s) all material latent defects and any information concerning the Property known to Seller, which materially and
 275. adversely affect the consideration to be paid by Buyer.

REMEDIES

276. Remedies: The parties agree to the remedies for breach of Contract indicated below.

277. If Buyer is in breach: (check one)

278. ☐ All Rights and Remedies: Seller may cancel this Contract pursuant to Lines 309-313 and/or proceed upon any claim or
 279. remedy that the Seller may have in law or equity.
280. ☒ Liquidated Damages: The parties agree that it would be impracticable or extremely difficult to fix the actual damages that
 281. Seller would suffer if Buyer fails to perform Buyer's obligations pursuant to this Contract. Therefore, if Buyer breaches this
 282. Contract, Seller shall be entitled to the Earnest Money as Seller's sole remedy and Buyer shall be released from any further
 283. liability to Seller. In such event, this Contract shall be cancelled and Seller shall pay any Escrow Company cancellation fees.

284.

(INITIALS REQUIRED)

SELLER

SELLER

BUYER

BUYER

285. If Seller is in breach:

286. All Rights and Remedies: Buyer may cancel this Contract pursuant to Lines 309-313, shall be entitled to the return of the
 287. Earnest Money and/or proceed upon any claim or remedy that the Buyer may have in law or equity.

288. Mediation: Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this Contract, any alleged breach of
 289. this Contract, or services provided in relation to this Contract, claims for Earnest Money or representations made by the Buyer or
 290. Seller in connection with the sale, purchase, financing, condition, or other aspect of the Property to which this Contract pertains,
 291. including, without limitation, allegations of concealment, misrepresentation, negligence and/or fraud before resorting to court
 292. action. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and
 293. confidentially. Mediators cannot impose binding decisions. The parties must agree and sign an agreement before any settlement
 294. reached at the mediation is binding. Mediation shall take place in the State of Arizona. All mediation costs shall be paid equally by
 295. the parties to the Contract.

296. Exclusions from Mediation: The following matters are excluded from mediation hereunder: (a) any action brought in the Small
 297. Claims Division of an Arizona Justice Court (up to \$2,500), so long as the matter is not thereafter transferred or removed from the
 298. Small Claims Division; (b) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or
 299. agreement for sale; (c) an unlawful entry or detainer action; (d) the filing or enforcement of a mechanic's lien; or (e) any matter
 300. that is within the jurisdiction of a probate or bankruptcy court. The filing of a judicial action to enable the recording of a notice of
 301. pending action, or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the
 302. obligation to mediate under this provision, nor shall it constitute a breach of the duty to mediate.

303. Attorneys Fees and Costs: If Buyer or Seller files suit against the other to enforce any provision of this Contract or for damages
 304. sustained by reason of its breach, all parties prevailing in such action, on trial and appeal, shall receive their reasonable attorney's
 305. fees and costs as awarded by the court. In addition, both Seller and Buyer agree to indemnify and hold harmless all Brokers against
 306. all costs and expenses that any Broker may incur or sustain in connection with any lawsuit arising from this Contract and will pay
 307. the same on demand unless the court grants judgment in such action against the party to be indemnified. Costs shall include,
 308. without limitation, reasonable attorney's fees, expert witness fees, fees paid to investigators, and court costs.

309. Cancellation: Any party who wishes to cancel this Contract as provided herein or because of any material breach by another
 310. party, and who is not in material breach except as occasioned by a material breach by the other party, may cancel this Contract
 311. by delivering written notice of cancellation to either the breaching party or to the Escrow Company stating the basis for cancella-
 312. tion or nature of the breach. Cancellation shall become effective immediately upon delivery of the written notice of cancellation to
 313. either the breaching party or Escrow Company.

314. Release of Earnest Money: In the event of a dispute between Buyer and Seller regarding Earnest Money deposited with Escrow
 315. Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions of this
 316. Contract. Buyer and Seller specifically authorize Escrow Company to act in its sole and absolute discretion in the release of
 317. Earnest Money. Buyer and Seller agree to hold harmless and indemnify Escrow Company against any claim, action or lawsuit of
 318. any kind, and from any loss, judgment, or expense, including costs and reasonable attorneys' fees, arising from or relating in any
 319. way to the release of Earnest Money.

320. Recommendations: If any Broker recommends a builder, contractor, inspector, vendor or any other person or entity to Seller or Buyer
 321. for any purpose, such recommendation shall be independently investigated and evaluated by Seller or Buyer, who hereby acknowl-
 322. edge that any decision to enter into any contractual arrangements with any such person or entity recommended by any Broker will be
 323. based solely upon such independent investigation and evaluation. Seller and Buyer understand that said contractual arrangement may
 324. result in a commission or fee to Broker, which shall be disclosed in writing to the Seller and Buyer as required by law.

Initials:
 SELLER SELLER

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Initials:
 BUYER BUYER

ADDITIONAL TERMS

325. Buyers and sellers agree to the terms of the attached addendum #1.

326.

327. Disclosure: One of the buyers is a licensed real estate agent in the state of Arizona and shall

328. receive 50% of selling side of commission.

329. Real Estate BROKER.

TO BE PAID TO Tim E. Weil

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350. Risk of Loss: If there is any loss or damage to the Property between the date of mutual execution of this Contract and the Close of
351. Escrow or possession of the Property, whichever is earlier, by reason of fire, vandalism, flood, earthquake or act of God, the risk of loss
352. shall be borne by the Seller, provided, however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of
353. the purchase price, either Seller or Buyer may elect to cancel the Contract by written notice pursuant to lines 309-313.

354. Permission: Buyer and Seller grant Broker(s) permission to advise the public of the existence of this Contract.

355. Arizona Law: This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

356. Time is of the essence: The parties acknowledge that time is of the essence in performance of the obligations described herein.

357. Broker's Fee: Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm,
358. broker or finder in connection with the negotiation of this Contract and/or the consummation of the purchase and sale
359. contemplated herein, other than the Broker(s) named herein, and no Broker or other person, firm or entity, other than said
360. Broker(s) is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts
361. of either Buyer or Seller. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from
362. and against any costs, expenses or liability for compensation, commission or charges that may be claimed by any broker, finder
363. or other similar party, other than said named Broker(s) by reason of any dealings or act of the indemnifying party.

364. Compensation: Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed
365. by separate written agreement(s). Any separate written agreement(s) shall be delivered to Escrow Company for payment at Close
366. of Escrow, if not previously paid, and shall constitute an irrevocable assignment of Seller's proceeds at Close of Escrow and/or
367. payment shall be collected from Buyer as a condition to Close, as applicable. If any Broker hires an attorney to enforce the
368. collection of the brokerage fee payable pursuant to this Contract and is successful in collecting some or all of such brokerage fee,
369. the party(ies) responsible for paying such brokerage fee agree(s) to pay such Broker's costs including, but not limited to:
370. reasonable attorneys' fees, expert witness fees, fees paid to investigators, and court costs. COMMISSIONS PAYABLE FOR THE
371. SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®
372. OR MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT. THE
373. SELLER AND THE BUYER ACKNOWLEDGE THAT THE BROKER(S) REFERENCED HEREIN ARE THIRD-PARTY
374. BENEFICIARIES OF THIS CONTRACT.

Initials: TH
SELLER SELLER

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Initials: WEL
BUYER BUYER

375. Additional Compensation: The Real Estate Settlement Procedures Act ("RESPA") prohibits the paying or receiving of any fee, kickback, or thing of value for the referral of any business related to settlement or closing of a federally regulated mortgage financing, including, but not limited to, any services related to the origination, processing, or funding of a federally regulated mortgage financing, and includes settlement related business. RESPA does not prohibit fees, salaries, compensation, or other payments for services actually performed. If any Broker performs any such services for a fee, Seller and Buyer consent to the payment of this additional compensation as follows:

381.

382.

383. Subsequent Offers: Buyer acknowledges that Seller has the right to accept subsequent offers until Close of Escrow. Seller understands that any subsequent offer accepted by the Seller must be a backup offer, namely, contingent on the cancellation of this Contract.

386. Entire Agreement: This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and Buyer, and shall supersede any other written or oral agreements between Seller and Buyer. This Contract, including any extensions of any time periods referenced herein, can be modified only by a writing signed by Seller and Buyer. A fully executed facsimile copy of the entire Contract shall be treated as an original Contract. This Contract and any other documents required by this Contract may be executed and delivered by facsimile and in any number of counterparts, which shall become effective upon delivery as provided for herein. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original. The failure to initial any page of this Contract shall not effect the validity or terms of this Contract. All references to days in this Contract shall be construed as calendar days.

394. Assignment: Except in the event of a tax-deferred exchange, Buyer shall not assign this Contract without the prior written consent of Seller. Any such assignment shall not release Buyer from Buyer's obligations under this Contract.

396. Release of Brokers: SELLER AND BUYER HEREBY ACKNOWLEDGE THAT THEY HAVE BEEN AND ARE NOW ADVISED BY THE BROKER(S) TO CONSULT AND RETAIN THEIR OWN EXPERTS TO ADVISE AND REPRESENT THEM CONCERNING THE LEGAL AND INCOME TAX EFFECTS OF THIS CONTRACT, AND THE CONDITION OF THE PROPERTY. SELLER AND BUYER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY ALL BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING THE CONDITION, SQUARE FOOTAGE/ACREAGE, LOT LINES OR BOUNDARIES, VALUE, FINANCING, RENT ROLLS, INCOME AND EXPENSE PROJECTIONS OR PROFORMAS, ENVIRONMENTAL CONDITIONS, SANITATION SYSTEMS, ROOF CONDITION, WOOD INFESTATION AND WOOD INFESTATION REPORT, COMPLIANCE WITH BUILDING CODES, ZONING OR OTHER GOVERNMENTAL REGULATIONS, OR ANY OTHER MATERIAL MATTERS RELATING TO THE PROPERTY.

405.

(INITIALS REQUIRED)

BUYER

BUYER

SELLER

SELLER

406. Time for Acceptance: This is an offer to purchase the Property. Unless acceptance is signed by Seller and a signed copy delivered in person, by private or United States mail, or facsimile, and received by Buyer or by Broker named on Lines 17-18 by: September 3, 2004 at 5:00pm AM/PM, Mountain Standard Time, or unless this offer to purchase has been previously withdrawn in writing by Buyer, this offer to purchase shall be deemed withdrawn and the Buyer's Earnest Money shall be returned.

411. THIS CONTRACT CONTAINS NINE (9) PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE THAT YOU HAVE RECEIVED AND READ ALL NINE (9) PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.

413. The undersigned agree to purchase the Property on the terms and conditions herein stated and acknowledge receipt of a copy hereof.

415. [Signature] 9-1-04
BUYER MOD/DAYR BUYER MOD/DAYR

416. Fresh Co Investments LLC
BUYER NAME PRINTED

BUYER NAME PRINTED

417. By: _____

418. Its: Member _____

419. 1331 W. Fairway Drive
ADDRESS

ADDRESS

420. Nogales, AZ 85621
CITY, STATE, ZIP CODE

CITY, STATE, ZIP CODE

421. Broken Burns Realty, Inc.
(COMPANY NAME)

Louis A. Doyle
(LICENSEE)

422. 1060 Camino Caralampi
Rio Rico, AZ 85648
(ADDRESS)

(520) 281-8999
(TELEPHONE)

(520) 281-7220 mdoyle@thermax.com
(FAX) (E-MAIL)

Initials
SELLER SELLER

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Initials
BUYER BUYER

ACCEPTANCE

423. Agency Confirmation: The following agency relationship(s) is hereby confirmed for this transaction:

424. Listing Broker: Karen Miller Re/Max Associates, Inc. (520) 281-4888
(PRINT SALESPERSON'S NAME AND AGENCY CODE) (PRINT FIRM NAME AND OFFICE CODE) (TELEPHONE)

425. Is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller

426. Seller Receipt of Copy: The undersigned acknowledge receipt of a copy hereof and grant permission to Broker named
 427. on Lines 17-18 to deliver a copy to Buyer.

428. ☐ Counter Offer is attached, and is incorporated herein by reference. Seller must sign both the Contract and the
 429. Counter Offer. If there is a conflict between this Contract and the Counter Offer, the provisions of the Counter
 430. Offer shall be controlling.

431. The undersigned agree to sell the Property on the terms and conditions herein stated.

432. SELLER MO/DA/YR SELLER MO/DA/YR

433. Conn-Salmer, Inc. SELLER'S NAME PRINTED SELLER'S NAME PRINTED

434. By: [Signature]

435. Its: E.V.P.

436. ADDRESS ADDRESS

437. CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

438. Broker: Re/Max Associates, Inc. Karen Miller
(COMPANY NAME) (LICENSEE)

439. 1821 N. Mastick Way, Suite 3 (520) 281-4888 (520) 761-3307 karensmiller@remax.net
Nogales, AZ 85621 (ADDRESS) (TELEPHONE) (FAX) (E-MAIL)

ACCEPTANCE BY ESCROW COMPANY

440. Date of Opening of Escrow: _____

441. The provisions of this Contract are hereby acknowledged and agreed to.

442. Escrow Company: Land American Lawyers Title of AZ

443. By: _____

444. Its: _____

For Broker Use Only Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials _____ Date _____
MO/DA/YR

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Initials: [Signature] SELLER BUYER BUYER
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ADDENDUM 1 **RE/MAX Associates, Inc.**



THE PRINTED PORTION OF THIS CONTRACT HAS BEEN APPROVED BY THE ARIZONA ASSOCIATION OF REALTORS®. THIS IS INTENDED TO BE A BINDING CONTRACT. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OR THE TAX CONSEQUENCES THEREOF. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT YOUR ATTORNEY OR TAX ADVISOR.

- A. 1. This is an addendum originated by the: ☒ Seller ☐ Buyer ☐ Landlord ☐ Tenant
- A. 2. This is an Addendum to the Contract dated September 2, 2004 between the following Parties:
- A. 3. Seller/Landlord: Conn-Selmer, Inc.
- A. 4. Buyer/Tenant: Fresh Co Investments LLC
- A. 5. Premises: 1310 W. Fairway Drive, Nogales, AZ 85621
- A. 6. The following additional terms and conditions are hereby included as a part of the Contract described above:
- A. 7. For clarification purposes:

- A. 8. _____
- A. 9. Seller discloses and buyers are aware that the subject property located at 1310 N.
- A. 10. Fairway Drive, Nogales, Az. is currently under a consent order from ADEQ to clean up
- A. 11. contaminated ground water at the facility. Sellers agree that they will remain
- A. 12. responsible and retain liability under the consent order currently described in
- A. 13. exhibit A. [See Exhibit A] Seller agrees to pay separate utilities to maintain their
- A. 14. equipment and buyers agree to provide seller or sellers agent access to the
- A. 15. equipment. In addition, buyers acknowledge that seller currently has a trust
- A. 16. agreement providing funds that ensure that the order from ADEQ will be adhered with.
- A. 17. [See exhibit B]
- A. 18. _____
- A. 19. _____
- A. 20. _____
- A. 21. _____
- A. 22. _____
- A. 23. _____
- A. 24. _____
- A. 25. _____
- A. 26. _____
- A. 27. _____
- A. 28. _____
- A. 29. _____
- A. 30. _____
- A. 31. _____
- A. 32. _____
- A. 33. _____
- A. 34. _____
- A. 35. _____
- A. 36. _____
- A. 37. _____
- A. 38. _____
- A. 39. _____
- A. 40. _____
- A. 41. _____

- A. 42. The undersigned agrees to the additional terms and conditions and acknowledges receipt of a copy hereof.
- A. 43. [Signature] 9/2/04 [Signature] 9/1/04
- A. 44. ☒ Seller ☐ Buyer ☐ Seller ☒ Buyer
- A. 45. ☐ Landlord ☐ Tenant ☐ Landlord ☐ Tenant

- A. 46. _____
- A. 47. ☐ Seller ☐ Buyer ☐ Seller ☐ Buyer
- A. 48. ☐ Landlord ☐ Tenant ☐ Landlord ☐ Tenant

- A. 49. **For Broker Use Only**
- | Brokerage Firm/Log No. | Manager's Initials | Broker's Initials | Date |
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(1288-830 ADDENDUM Rev 8/83)

OCT.28.2004 11:30:08PM FROM: WATERFALL ECONOMIDIS

NO. 429
TO: 15207451279

P.3/6

P13/6

**FIRST AMENDMENT
TO**

**COMMERCIAL REAL ESTATE PURCHASE CONTRACT
(1310 W. Fairway Drive, Nogales, Arizona)**

THIS FIRST AMENDMENT TO COMMERCIAL REAL ESTATE PURCHASE CONTRACT (hereafter referred to as the "First Amendment") is made to that certain Commercial Real Estate Purchase Contract (hereafter referred to as the "Contract") and Addendum 1 to the Contract (hereafter referred to as "Addendum #1") by and between **CONN-SELMER, INC.**, a Delaware corporation qualified to do business in Arizona, as Seller, and **FRESH-CO INVESTMENTS L.L.C.**, an Arizona limited liability company, as Buyer, relating to the real property, together with improvements thereon known as 1310 West Fairway Drive, Nogales, Arizona, which transaction is currently in escrow at Lawyers Title of Arizona as Escrow No. 01388573.

A. All definitions set forth in the Contract shall be considered incorporated in this First Amendment as though fully set forth herein.

B. The following sentence is hereby added to follow the sentence ending on Line 295.

Notwithstanding the foregoing, in the event Buyer and Seller are unable to reach an agreement through mediation within forty five (45) days after demand for mediation by a party, either Buyer or Seller may file a suite to enforce any provision of this Contract or for damages sustained by reason of its breach.

C. The sentence that commences in Line 305 of the Contract that reads: "In addition, both Seller and Buyer agree to indemnify and hold harmless all Brokers against all costs and expenses that any Broker may incur or sustain in connection with any lawsuit arising from

Page 1 of 4

WATERFALL ECONOMIDIS 1310 W. FAIRWAY DRIVE, NOGALES, ARIZONA / IT AMENDMENT TO PURCHASE CONTRACT 15207451279

OCT-28-2004 11:30:08PM ID:
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RX TIME 10/28 '04 14:17

PAGE: 2
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this Contract and will pay the same on demand unless the court grants judgment in such action against the party to be indemnified." is hereby deleted in its entirety.

6/27
D. If the improvements on the Property are destroyed or materially damaged between the date of Opening of Escrow and close of escrow, the Contract shall, at Buyer's election, immediately become null and void and Buyer's Earnest Money Deposit shall be returned to Buyer, without penalty. If Buyer elects to accept the Property in its then condition, all proceeds of insurance payable to Seller by reason of such damage shall be paid to Buyer.

E. The sentence that commences in Line A 13 of Addendum #1 and reads: Seller agrees to pay separate utilities to maintain their equipment and buyers agree to provide seller or sellers agent access to the equipment." is hereby deleted in its entirety and the following substituted therefor:

Seller agrees to pay all utilities necessary to maintain all equipment of Seller's located on the Property for the purpose of the clean-up of the Property as agreed to in the Consent Order (defined below).

At such time as it is determined by the ADEQ, and such other applicable governmental agencies as may have jurisdiction over the environmental evaluation, testing and monitoring of the clean-up activities on the Property under the 1998 Consent Order between United Musical Instruments and ADEQ (the "Consent Order"), that the Consent Order has been complied with, Seller agrees to do the following, at no cost to Buyer.

1. Employ, for the benefit of Buyer, Engineering and Environmental Consultants, Inc. ("EEC") to monitor the clean-up progress over the period of time required to close the site and to furnish Buyer regular reports relating thereto in such frequency as reasonably determined by EEC.
2. Upon completion of the clean-up, cause the outstanding Resource Conservation and Recovery Act ("RCRA") files to be closed through ADEQ and the U.S. Environmental Protection Agency, including without limitation, such files dealing with compliance violation for RCRA generator or facilities for RCRA treatment storage and disposal facilities. The violation files should be closed and the hazardous waste generator files should be changed to "deactivated" status.
3. Abandon in accordance with Arizona Administrative Code regulation R12-15-16 all of the monitoring wells identified by the Arizona Department of Water Resources as Well Registration Numbers: 517178, 516091, 510645, 517179, 515433, 510644, 510636, 543707, 510646, 543708, 542012

Page 2 of 4

WATERFALL ECONOMICS PROVIDES ADOPTED UNLAWFULLY. IT IS A VIOLATION TO REPRODUCE CONTRACT 15-27-01.DOC

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RX TIME 10/28 '04 14:17

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TO: CONN-SELNER

FROM: CONN-SELNER

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and 519105. Additionally, at such time as the industrial wells identified by the Arizona Department of Water Resources as Well Registration Numbers 519766 and 530147 are no longer utilized by Seller as a part of the monitoring process, Seller shall, at the option of Buyer, either (i) abandon such industrial wells in accordance with Arizona Administrative Code regulation R12-15-16; or (ii) transfer same, together with all water rights associated therewith, to Buyer in accordance with the rules and regulations of the Arizona Department of Water Resources.

4. Remove all equipment used in connection with the clean-up.
5. Subject to the prior written consent of Buyer, remove all structures utilized in connection with the clean-up.
6. Restore the Property and repair any damage to the Property as a result of any installation or removal of the equipment or any structures, which repair and restoration may include, without limitation, the refilling of any holes dug and compaction of any soil that has been disturbed or added to the Property.

Buyer hereby agrees to grant Seller, or Seller's agent, reasonable access over, under and upon the Property for performance by Seller of its obligations as set forth in this Paragraph E.

All obligations of Seller provided for in this Paragraph E. shall be diligently prosecuted and shall be completed within six (6) months after it is determined by the ADEQ, and such other applicable governmental agencies as may have jurisdiction over the environmental evaluation, testing and monitoring of the clean-up activities on the Property under the Consent Order, that the Consent Order has been complied with.

On or before five (5) business days prior to close of escrow, Seller shall deliver to Buyer a final Environmental Decontamination Report issued by Mactec Engineering and Consulting, Inc. for the building(s) located on the Property.

- G. To induce Buyer to enter into the Contract and Addendum #1 and with the full knowledge that Buyer will rely thereon, Seller represents and warrants that (i) all structural portions of the building located on the Property, including the roof, are in good condition and repair; and (ii) Seller has not received notice and is not aware of any environmental or hazardous conditions affecting the Property other than the conditions existing which prompted the Consent Order. The foregoing representations and warranties of Seller shall survive close of escrow.

OCT.28.2004 3:05PM FROM: WALTER ALL ECONOMIDIS

NO. 429 P. 6/6
TO: 15207451279 P: 6/6

Except as specifically amended by this First Amendment, the terms and conditions of the Contract and Addendum #1 shall remain as written and in full force and effect. Further, in the event of a conflict between the terms and conditions of this First Amendment and the Contract or Addendum #1, the terms and conditions of this First Amendment shall control.

This First Amendment may be executed utilizing more than one counterpart of the signature page, and all such executed counterpart signature pages shall be attached to one First Amendment and read having the same force and effect as though all the signatories had signed a single page. Further, the execution and delivery of this First Amendment may be effectuated by the use of telecopy/fax transmission and the facsimile signature(s) created thereby shall be considered an original signature(s).

IN WITNESS WHEREOF, Seller and Buyer have executed this First Amendment the day, month and year set forth beneath their signatures below. The date of this First Amendment shall for all purposes be the date of the signature of the last party to sign this First Amendment.

SELLER:

FRESH-CO INVESTMENTS L.L.C., an
Arizona limited liability company

By: [Signature]
Its: Member
Date: 10-28-04
William Jason Colwell, Member

BUYER:

CONN- SELMER, INC., a Delaware
corporation authorized to do business in
Arizona

By: [Signature]
Date: 10-28-04
Michelle Hammer
Executive Vice President

Page 4 of 4

NO. 429 P. 6/6
TO: 15207451279 P: 6/6

OCT-28-2004 3:05 PM ID: LOCATION

TO: 1 781 894 9806

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NOV-01-2004 10:09 FROM: CONN-SELMER

ADDENDUM 1

RE/MAX Associates, Inc.



THE PRINTED PORTION OF THIS CONTRACT HAS BEEN APPROVED BY THE ARIZONA ASSOCIATION OF REALTORS®. THIS IS INTENDED TO BE A BINDING CONTRACT. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OR THE TAX CONSEQUENCES THEREOF. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT YOUR ATTORNEY OR TAX ADVISOR.

- A. 1. This is an addendum originated by the: ☒ Seller ☐ Buyer ☐ Landlord ☐ Tenant
- A. 2. This is an Addendum to the Contract dated September 2, 2004 between the following Parties:
- A. 3. Seller/Landlord: Conn-Selmer, Inc.
- A. 4. Buyer/Tenant: Fresh Co Investments LLC
- A. 5. Premises: 1310 W. Fairway Drive, Nogales, AZ 85621
- A. 6. The following additional terms and conditions are hereby included as a part of the Contract described above:
- A. 7. For clarification purposes:
- A. 8. _____
- A. 9. Seller discloses and buyers are aware that the subject property located at 1310 N.
- A. 10. Fairway Drive, Nogales, Az. is currently under a consent order from ADEQ to clean up
- A. 11. contaminated ground water at the facility. Sellers agree that they will remain
- A. 12. responsible and retain liability under the consent order currently described in
- A. 13. exhibit A. [See Exhibit A] Seller agrees to pay separate utilities to maintain their
- A. 14. equipment and buyers agree to provide seller or sellers agent access to the
- A. 15. equipment. In addition, buyers acknowledge that seller currently has a trust
- A. 16. agreement providing funds that ensure that the order from ADEQ will be adhered with.
- A. 17. [See exhibit B]
- A. 18. _____
- A. 19. _____
- A. 20. _____
- A. 21. _____
- A. 22. _____
- A. 23. _____
- A. 24. _____
- A. 25. _____
- A. 26. _____
- A. 27. _____
- A. 28. _____
- A. 29. _____
- A. 30. _____
- A. 31. _____
- A. 32. _____
- A. 33. _____
- A. 34. _____
- A. 35. _____
- A. 36. _____
- A. 37. _____
- A. 38. _____
- A. 39. _____
- A. 40. _____
- A. 41. _____

A. 42. The undersigned agrees to the additional terms and conditions and acknowledges receipt of a copy hereof.

A. 43. [Signature] 9/2/04 [Signature] 9.1.04

A. 44. ☒ Seller ☐ Buyer ☐ Seller ☒ Buyer

A. 45. ☐ Landlord ☐ Tenant ☐ Landlord ☐ Tenant

A. 46. _____

A. 47. ☐ Seller ☐ Buyer ☐ Seller ☐ Buyer

A. 48. ☐ Landlord ☐ Tenant ☐ Landlord ☐ Tenant

A. 49. **For Broker Use Only**

Brokerage File/Log No.	Manager's Initials	Broker's Initials	Date

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(1208-630 ADDENDUM Rev 6/03)